



Iowa Department of Human Services

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INFORMATIONAL LETTER NO.1621-MC

DATE: February 18, 2016

TO: Iowa Medicaid Integrated Health Homes (IHH), Clinical Social Workers, Case Managers (CM), Targeted Case Managers (TCM) and Habilitation Providers

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Home and Community Based Services (HCBS) Habilitation

EFFECTIVE: January 1, 2016

Effective for dates of service on or after January 1, 2016, the IME is responsible for coverage of Medicaid funded mental health and substance abuse services previously paid through Magellan until the launch of the IA Health Link on March 1, 2016. This letter provides an update to [1586-MC](#)¹, [1597](#)², [1603](#)³ and [1613-MC](#)⁴ regarding Habilitation services during this transition period.

Authorization for Habilitation Services for Dates of Service on or after January 1, 2016 through February 29, 2016:

Habilitation services are prior authorized through the service plan development process facilitated by the IHH or CM and are not required to be submitted to the IME.

- The IHH Care Coordinator (CC) or CM must have a service plan in place detailing the services to be received in accordance with 441 IAC 78.27(4) Comprehensive service plans. The service plan must be signed and dated.
- The service plan must detail the Habilitation provider, provider number, procedure code and applicable modifier, the number of units and the rate for the service to be provided.
- The IHH CC or CM will issue a Notice of Authorization (NOA) based on the service plan which includes the same information noted above and includes appeal rights per the department's policy.
- The Habilitation service provider will bill the IME for services dated January 1, 2016 through February 29, 2016, following the proper billing procedures for that service.
- The staff delivering the service must document the services as required per 441 IAC 79.3 and records must be maintained in accordance with the rule as well.

¹ https://dhs.iowa.gov/sites/default/files/1586_BehavioralHealthandSubstanceAbuseServices.pdf

² https://dhs.iowa.gov/sites/default/files/1597_BehavioralHealth_and_SubstanceAbuseServices.pdf

³ https://dhs.iowa.gov/sites/default/files/1603_UpdatedMentalHealth_SubstanceAbuseServices_B-3ServicesFeeSchedules.pdf

⁴ https://dhs.iowa.gov/sites/default/files/1613-MC_Billing_Updates-for-Mental_Health-and-Substance_Abuse_Services.pdf

- The IME will be conducting post service quality assurance reviews to ensure services were authorized and delivered in accordance with administrative rules and the member's service plan.

Billing the IME for Habilitation services for Dates of Service on or after January 1, 2016 through February 29, 2016:

When billing the IME for Home and Community Based Habilitation services, a valid ICD-10 diagnosis code must be entered on the claim form in addition to the procedure code and applicable modifier. Claims billed with Z79.89 will be denied.

When billing for Home Based Habilitation (HBH) the applicable U modifier must be used and the place of services (POS) must be the member's home (POS) 12.

| Home Based Habilitation Tier | Hours of Supervision and Support Needed Based on the Member's Comprehensive Functional Assessment | Procedure Code | Modifier |
|--|---|----------------|----------|
| Intensive III | 12- 24 hours per day | H2016 | U9 |
| Intensive II | 13 to 16.75 hours per day | H2016 | U8 |
| Intensive I | 9 to 12.75 hours per day | H2016 | U7 |
| Medium Need | 4.25 to 8.75 hours per day as needed | H2016 | U6 |
| Recovery Transitional | 2.25 to 4 hours per day as needed | H2016 | U5 |
| High Recovery | .25 to 2 hours per day as needed | H2016 | U4 |
| Habilitation Service | Unit of Service | Procedure Code | Modifier |
| Day Habilitation | 15 min | T2021 | |
| Day Habilitation | Daily | T2020 | |
| Prevocational Services | Hourly | T2015 | |
| Prevocational Services | Daily | T2014 | |
| Supported Employment Job Development | Outcome – 1 job held for 30 days | T2018 | UC |
| Supported Employment Enhanced Job Search | 15 min | H2019 | |
| Supported Employment Enclave | 15 min | H2023 | |
| Supported Employment Employer Development | Outcome – 1 job held for 30 days | H2024 | UC |
| H2025 Supported Employment - Job Coaching (15 minutes) | 15 min | H2025 | |

The IME has detailed claim form instructions for all providers which are found on the DHS [Claim Forms and Instructions](#)⁵ web page.

If you have any questions please contact the IME Provider Services Unit at 1-800-338-7909, or email at IMEproviderservices@dhs.state.ia.us.

⁵ <https://dhs.iowa.gov/ime/Providers/claims-and-billing/ClaimsPage>